



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

April 21, 2004

Tony Christofferson  
H.E. Davis Construction, Inc.  
525 West Arrowhead Trail  
P.O. Box 488  
Spanish Fork, Utah 84639

Subject: Joint Agency Meeting, H.E. Davis Construction Inc., Henry 1&2,  
M/023/023, Juab County, Utah

Dear Mr. Christofferson:

On March 29, 2004, the US Forest Service and the Division of Oil, Gas and Mining met with you at the Division's offices to discuss the future permitting and bonding requirements related to the Henry 1 and 2 mine. Attached to this letter are notes from that meeting including the questions and concerns asked of your company. One of the most important deadlines related to this project and this meeting was April 15, 2004, where your company was to let us know whether you intend to continue mining or reclaim this site. You informed us by phone on April 19, 2004, that you intend to continue mining. Please provide written documentation to that effect and send it to this office as well as the US Forest Service offices.

That leads us to your next deadline, which is finalizing all permitting concerns by August 1, 2004.

We agreed that an on-site meeting would be held on May 12, 2004, with you, the Division and the US Forest Service to discuss and plan future permitting needs to bring the mine site into compliance. One of the major components of this permitting process was to obtain an accurate disturbed area and mine development map for this site.

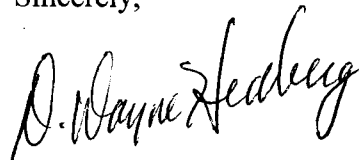
The current reclamation surety bond, which the US Forest Service holds, is under the name of H.E. Davis and Sons. This bond must be converted over to H.E. Davis Construction Inc. and include both the US Forest Service and the Division of Oil, Gas, and Mining as beneficiaries. The surety must be

Tony Christofferson  
Page 2 of 2  
M/023/023  
April 21, 2004

accompanied by a valid signed Reclamation Contract. Instructions on the required reclamation bond amount, most likely an interim amount until the mining and reclamation plan is completed, and final instructions on completing the necessary forms will be forthcoming, following our May 12, 2004 on-site meeting to assess the current disturbance.

If you have any questions or concerns regarding this letter, please feel free to call me or Wayne Hedberg. We look forward to meeting with you on the 12<sup>th</sup> of May, and finalizing this permitting process.

Sincerely,

  
for Tom Munson  
Senior Reclamation Hydrologist

TM:jb  
Enclosure: Inspection memo  
cc: Joel Nowak & Tom Shore, USFS Sanpete Ranger Dist. and  
Tom Lloyd, USFS, Price Ranger Dist.  
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